

AMENDED IN ASSEMBLY MARCH 21, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1130

Introduced by Assembly Member Wilk

February 22, 2013

An act to amend Section ~~12744~~ 12743 of the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1130, as amended, Wilk. Insurance: home protection contracts.

Existing law governs home protection contracts for the repair or replacement of a component, system, or appliance of a home. Existing law makes various provisions of the Insurance Code applicable to those contracts, including provisions governing reinsurance transactions and actions, suits, or proceedings against nonadmitted insurers.

This bill would delete provisions governing reinsurance transactions and actions against nonadmitted insurers from the list of Insurance Code provisions that are applicable to home protection contracts.

~~Existing law prohibits a person from issuing home protection contracts in this state unless that person holds a home protection company license issued by the Department of Insurance, except as specified.~~

This bill would *also* make technical, nonsubstantive changes to that provision.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 **SECTION 1.** *Section 12743 of the Insurance Code is amended*
2 *to read:*
3 12743. The following provisions of this code shall be applicable
4 to home protection contracts and home protection companies:
5 (a) Sections 1 to 46, inclusive.
6 (b) Chapter 3 (commencing with Section 330) of Part 1, Division
7 1.
8 (c) Chapter 12 (commencing with Section 679.70) of Part 1,
9 Division 1.
10 (d) These provisions of Chapter 1, Part 2, Division 1:
11 (1) Article 1 (commencing with Section 680).
12 (2) Article 1.5 (commencing with Section 685).
13 (3) Article 2 (commencing with Section 690).
14 (4) Section 699, 699.5, 700, 701, 704, 704.5, 704.7, 705, 705.1,
15 707, 708, 709, 710, 713, 714, 715, 716, 717, 718, 720, and 725 of
16 Article 3 (commencing with Section 699).
17 (5) Section 750.
18 (6) Article 5.5 (commencing with Section 770).
19 (7) Article 6.5 (commencing with Section 790).
20 (8) Article 8 (commencing with Section 820).
21 (9) Article 9 (commencing with Section 880).
22 (10) Article 11 (commencing with Section 939).
23 (11) Article 13 (commencing with Section 980).
24 (12) Article 14 (commencing with Section 1010).
25 (13) Article 14.5 (commencing with Section 1065.1).
26 (14) Article 15 (commencing with Section 1070).
27 (15) Article 16 (commencing with Section 1080).
28 (16) Article 17 (commencing with Section 1100).
29 (e) These provisions of Chapter 2, Part 2, Division 1:
30 (1) Article 1 (commencing with Section 1140).
31 (2) Article 2 (commencing with Section ~~1150~~ 1152).
32 (3) Article 3 (commencing with Section 1170).
33 (4) Article 4 (commencing with Section 1190).
34 (5) Article 4.7 (commencing with Section 1215).
35 (6) Article 7 (commencing with Section 1250).
36 ~~(7) Article 8 (commencing with Section 1260).~~
37 ~~(f) Article 4 (commencing with Section 1610) of Chapter 4 of~~
38 ~~Part 2 of Division 1.~~

~~(g)~~

(f) Article 3 (commencing with Section 1631) of Chapter 5 of Part 2 of Division 1.

~~(h)~~

(g) Sections ~~1850, 1850.5, 1852, 1853.5, 1853.7, 1853.8, 1857, 1857.2, 1857.3, 1857.4, 1857.5, 1858, 1858.05, 1858.1, 1858.15, 1858.2, 1858.3, 1858.4, 1858.5, 1858.6, 1858.7, 1859, 1859.1, 1860, 1860.1, 1860.2~~ of Chapter 9, Part 2, Division 1.

~~(i)~~

(h) Division 3 (commencing with Section 12900).

~~(j)~~

(i) In any references in the provisions made applicable to this part by subdivisions (a) to ~~(i)~~ (h) inclusive of this section:

(1) “Insurer” shall mean home protection company.

(2) “Insured” shall mean a home protection contract holder.

(3) “Premium” shall mean protection contract fee.

(4) “Policy” or “insurance” shall mean home protection contract.

~~(k)~~

(j) When any provision of this code, other than this part, is applied to home protection companies, such provision shall be construed in accordance with the nature of home protection companies and the home protection business. In the event of any conflict between such other provision and this part, this part shall prevail.

~~SECTION 1. Section 12744 of the Insurance Code is amended to read:~~

~~12744. (a) No person shall issue or offer to issue home protection contracts in this state unless that person has been issued a home protection company license issued by the department, except as provided in subdivision (b).~~

~~(b) An insurer admitted for the class of insurance defined in Section 120 is authorized, in addition to the underwriting powers granted by that class, to issue home protection contracts, but the provisions of this part shall not be otherwise applicable to those insurers or their contracts.~~

~~(c) No license shall be granted to a foreign applicant that has not fulfilled the requirements of Sections 716 and 717. For purposes of this part, the term “class of insurance” as used in those sections shall mean the business of a home protection company. This section shall not prohibit the admission of a foreign home~~

1 ~~protection company which has actively transacted home protection~~
2 ~~business in its state of domicile for three years or more.~~
3 ~~(d) The commissioner shall by regulation prescribe forms for~~
4 ~~applications for home protection company licenses consistent with~~
5 ~~the provisions of this part. Any reference to a certificate of~~
6 ~~authority in Article 3 (commencing with Section 699) of Chapter~~
7 ~~1 of Part 2 of Division 1, shall mean a home protection company~~
8 ~~license.~~

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